



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
2050 West Main, Suite #1, Rapid City, SD 57702-2493
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FORM 2
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APR 15 2008

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

APPLICATION FOR PERMIT TO DRILL

Type of work: ☒ Drill New Well ☐ Re-enter Well ☐ Drill Directional Well ☐ Other _____

Type of well: ☐ Oil Well ☒ Gas Well ☐ Injection ☐ Other _____

Name and Address of Operator: Spyglass Cedar Creek, LP. 595 S. Castell Ave., New Braunfels, Texas 78130 Telephone (830) 626-7100

Name and Address of Surface Owner:

State of South Dakota

Name and Address of Drilling Contractor and Rig Number:

Elenburg Exploration Rig 8 1910 N. Loop, Casper, WY 82602

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available): Sec 16 2040' FSL, 1880' FEL Sec 16

NW SE $\frac{1}{4}$ T17N R4E Harding County SD Lat. = 45.435218807 Long. = -103.634419342

If Directional, top of pay and bottom hole location from nearest lines of section:

Jim

Acres in Spacing (Drilling) Unit

320

Description of Spacing Unit

~~NW SE~~ T17N R4E - Sec 16, S1/2

Well Name and Number		Elevation	Field and Pool, or Wildcat		Proposed Depth and Formation
State 10-16		3000	Wildcat		2200 Shannon
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 9 7/8	7	17	430	200 SKS g 2% CaCl ₂	Surf
2) 6 1/4	4 1/2	10.5	2200	.25#SK Celloflake, 100% excess	2200
3)				105SKS, Lite 1500, 2%CaCl ₂ .25	to
4)				125 SKS G 1% Caci, .7%CFL, .25#sk	surf

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.

Drill with fresh water mud to 2200', 12mil pit liner. Anticipated Spud date May 15th, 2008

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

Signature

Kevin Sellers

Name (Print)

General Partner

Title

04/14/2008

Date

FOR OFFICE USE ONLY

Approved By: *[Signature]*

Title: Oil and Gas Supervisor

Permit No. 1864

API No. 40 063 20639

Date Issued: May 22, 2008

Conditions, if any, on attached page.